Involvement of terrorist organizations in share market

2608. SHRI AMIR ALAM KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware of involvement of certain terrorist organizations in Indian share market;

(b) if so, the details thereof;

(c) if not, the reasons for frequent ups and downs in share market;

(d) whether Government is formulating any broad schemes to stablize the share market;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (f) SEBI, the regulator of Securities Market, has not received any information from stock exchanges about any evidence of the participation of terrorist organizations in the Indian share market.

The movement in stock market indices is a function of perception of the economy, and / or of a sector or of index stocks. Movements of stock market also depend on economic factors, domestic and international events, market sentiments, corporate performance and future economic growth. The stock market capitalizes the present and future values of growth opportunities while evaluating the growth of the various sectors in the economy. Investments in equity market are subject to market risks. The price movement of stocks is left to the market forces to determine and SEBI does not intervene in the market or try to regulate or influence the prices in any manner. However, SEBI keeps a constant vigil on the market, irrespective of the levels of the indices, and takes appropriate action.

Problems of students with no PAN or Bank Accounts

2609. SHRI SABIR ALI: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the students who are required to deposit demand drafts of more than Rs. 50,000/- in educational institutions at the time of completing admission formalities face a lot of problems in Banks as they do not have PAN or bank account;

(b) whether it is a fact that in such a situation, banks refuse to issue demand drafts to students; and

(c) if so, what action is being taken to solve this problem?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The Indian Banks' Association (IBA) has reported that as per the Reserve Bank of India (RBI) guidelines/instructions issued to all Scheduled Commercial Banks, including nationalized banks, to curb the misuse of banking channels for violation of fiscal laws and evasion of taxes, all demand

drafts, mail transfers, telegraphic transfers and travellers cheques for Rs.50,000 and above should be issued by banks only by debit to the customer's account or against cheques or other instruments tendered by the purchaser and not against cash payment.

Further, as per the provisions of Income Tax Act, 1961 with Rule No. 114B of Income Tax Rules, 1962 payments in cash for purchase of bank drafts or pay orders or banker's cheque from banking company to which Banking Regulation Act, 1949 applies, stipulates mandatory quoting of Permanent Account Number.

In such a situation, Banks will issue Demand Drafts to those who avail this facility, including students, subject to compliance of the RBI guidelines and the provisions of Income Tax Act/Rules.

IPOs of Nationalized banks

2610. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that many nationalized banks are planning to raise money through Initial Public Offerings (IPOs) during this fiscal;

(b) if so, the names of such banks and the amount of money they are likely to raise either through IPOs or *via* Certificates of Deposits (CDs);

(c) whether it is a fact that some banks have shown losses during the last three years; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) To meet their growth requirements, the banks, including Nationalised Banks, raise capital funds through various permissible channels which, *inter-alia*, include raising capital from the capital market through issue of equity shares by way of Initial Public Offer (IPO) / Follow-on Public Offer (FPO) / Rights issue / Preferential allotment of equity shares, etc.; plough back of profits, issue of Innovative Tier I instruments, issue of Innovative Tier II Capital / Debt instruments, etc. Government has not received any firm proposal from any Nationalised Bank to raise capital through IPO during the current financial year. The banks raise funds through Certificates of Deposits in usual course of their business depending upon their asset-liability position.

(c) and (d) All the Nationalised Banks have reported net profits for the years 2006-07, 2007-08, and 2008-09.

Training of officials of the income tax department

2611. SHRI MANAGLA KISAN:
SHRI RAMA CHANDRA KHUNTIA:
Will the Minister of FINANCE be pleased to state:

(a) the steps taken by Government to impart state-of-the-art skills to the senior level officials and functionaries of both direct and indirect tax machineries of the Central Government, by way of training and exposure visits;